

HOUSE BILL 413
By Hargrove

AN ACT to amend Tennessee Code Annotated, Section
56-7-1806, relative to revision of rates.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-1806, is amended by deleting the section in its entirety and by substituting instead the following language:

Section 56-7-1806

(a) In the event an insurance company intends to increase the premiums of a commercial risk policy by an amount which is more than twenty-five percent (25%) and the increase in premium is the result of comparing policies of equivalent exposures, the insurance company shall mail or deliver to the named insured and producer at the address shown on the policy not less than sixty (60) days prior notice of its intention to increase the premiums specifying the percentage of the increase.

(b) Unless notice is provided as described above, the insurer is required to extend the existing policy sixty (60) days from the date such notice is provided.

(c) The premium for the policy provided in such circumstances shall be not more than a pro rata basis of the existing policy.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.